PHILIP MORRIS
U.S.A.
120 PARK AVENUE, NEW YORK, N.Y. 10017-5592 TELEPHONE (212) 880-5000

February 1, 2000
~~October 22, 1998~~

Mr. Roger Mears
President
Pit Stop Productions, Inc.
d/b/a Team Mears
416 West Fairview Road
Bakersfield, California 93307

MARLBORO Racing Promotions

Dear Mr. Mears:

This letter constitutes the agreement (the "Agreement") between Philip Morris Incorporated, a Virginia corporation with executive offices located at 120 Park Avenue, New York, New York 10017 ("Philip Morris"), and Pit Stop Productions, Inc., a Florida corporation d/b/a Team Mears with executive offices located at 416 West Fairview Road, Bakersfield, California 93307 ("Team Mears"), pursuant to which Team Mears will provide services to Philip Morris in connection with designated **MARLBORO** Racing promotions under the terms and conditions stated.

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1. Services.

(a) If and when requested by Philip Morris, Team Mears will provide the personal services of Rick Mears, which are the essence of the Agreement.

(b) If and when requested by Philip Morris, Team Mears will cause Rick Mears to provide consulting services to Philip Morris in connection with **MARLBORO** Racing promotions to be designated by Philip Morris (the "Promotions").

(c) If and when requested by Philip Morris, Team Mears will cause Rick Mears to be available for ~~twelve days~~ twenty ONE DAYS OF Set Schedule Exhibit, excluding travel time, for press or public relations appearances in connection with the Promotions. The dates of such appearances will be mutually agreed upon by Philip Morris and Team Mears. For purposes of this subparagraph (c), press or public relations appearances lasting less than four hours will be counted as a half-day.

(d) Team Mears grants to Philip Morris the right to photograph Rick Mears during press and public relations appearances in connection with the Promotions.

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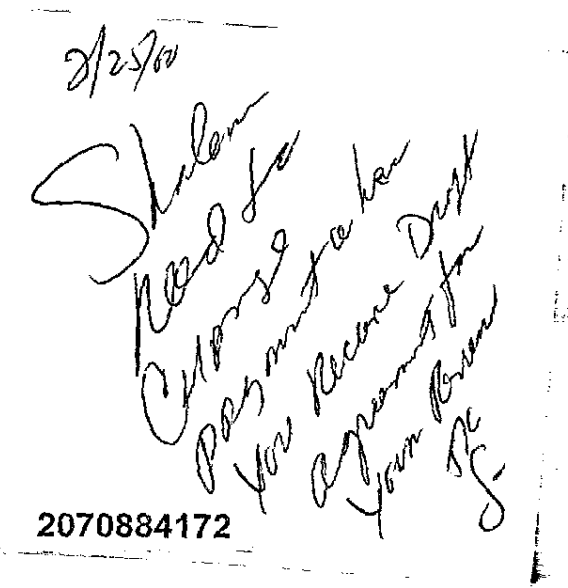

Source: https://www.industrydocuments.ucsf.edu/docs/lzdy0004

Team Mears grants to Philip Morris the right to use Rick Mears' name, likeness, voice and biographical information for all commercial purposes in connection with the Promotions without further notice or additional compensation.

2. Payment.

In consideration of Team Mears' performance hereunder, Philip Morris will pay Team Mears an aggregate amount not to exceed ~~$100,000~~ as follows: Philip Morris will pay Team Mears ~~(i) $8,333.33~~ within thirty days after the complete execution of the Agreement, the completion of the first Promotion and Team Mears' submission of an invoice; and (ii) ~~$8,333.33~~ within thirty days after the completion of each succeeding Promotion and Team Mears' submission of an invoice.

3. Expenses.

Philip Morris will reimburse Team Mears, at cost, for reasonable, competitively priced expenses, including first class airfare, incurred in connection with Rick Mears' performance of press and public relations services requested by Philip Morris. If Rick Mears is required to utilize personal aircraft to travel to a Philip Morris related event (i.e., commercial flights are not reasonably available to Rick Mears for travel to the location and at the time required by Philip Morris), Philip Morris will reimburse Team Mears for all reasonable expenses arising out of the use of such personal aircraft relating to such travel to and from the specific location of the event. If Rick Mears elects to utilize personal aircraft to travel to a Philip Morris related event, Philip Morris will determine the value and reimburse Team Mears the equivalent of a first class air ticket to and from the specific location of the event. Expenses will be reimbursed within thirty days after Philip Morris' receipt of an itemized invoice for expenses incurred. Expenses in excess of $25 must be submitted with receipts. Expenses in excess of $250 must be approved in advance by Philip Morris. Total expenses will not exceed ~~$20,000~~ throughout the term of the Agreement without the prior, written consent of Philip Morris.

4. Term and Termination.

(a) The term of the Agreement will commence upon its execution and will continue through the later of December 31, ~~1999~~, or complete performance to the satisfaction of Philip Morris. Philip Morris may terminate the Agreement, for cause, upon thirty days' advance, written notice to Team Mears. Team Mears will provide Philip Morris with a final accounting of outstanding obligations incurred prior to the notice of termination within thirty days after Team Mears' receipt of the notice of termination. The payments will be made

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within thirty days after the date of termination specified in Philip Morris' notice of termination.

(b) If any federal, state, municipal or local law, regulation, ordinance, order, ruling, judgment, consent decree or other governmental action becomes effective that makes the promotion of tobacco products as contemplated by the Agreement unlawful or impracticable or materially reduces the value of the Agreement to Philip Morris, Philip Morris may terminate the Agreement as of the effective date of the law, regulation, ordinance, order, ruling, judgment, consent decree or action. If the Agreement is so terminated, Team Mears will refund promptly to Philip Morris all amounts paid to Team Mears by Philip Morris in connection with the Agreement. Team Mears may deduct from the refund all fees earned for services satisfactorily performed, and documented expenses properly incurred, by Team Mears prior to the termination date. Team Mears will immediately deliver to Philip Morris documentation for all fees and expenses so deducted.

(c) Philip Morris has the right to renew the Agreement upon written notice delivered to Team Mears on or before November 15, ~~1999~~ 2000. If Philip Morris elects to renew the Agreement, the parties will negotiate in good faith the terms of the renewal and memorialize their agreement in a separate writing.

5. Exclusivity.

During the term of the Agreement, Team Mears will not, and will not permit Rick Mears to, enter into any consulting services agreement with any manufacturer of cigarettes or other tobacco products other than Philip Morris and its affiliates without the prior, written consent of Philip Morris.

6. Independent Contractor.

Team Mears is and will remain an independent contractor and nothing in the Agreement will be construed to create a relation of principal and agent or employer and employee between Philip Morris and Team Mears or any of Team Mears' employees or agents within the meaning of any federal, state or local law. Team Mears will not enter into any agreement, oral or written, on behalf of Philip Morris or otherwise obligate Philip Morris without Philip Morris' advance, written approval.

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7. The **MARLBORO** Name.

Team Mears will have no right, title or interest in or to the **MARLBORO** name or the slogans, designs or logo-types associated with **MARLBORO**, except the limited right to use pursuant to the Agreement. All use is subject to the advance approval of Philip Morris.

8. Insurance. > Some requirements for 2000 Agreement

Team Mears will effect and maintain with reputable insurers full and comprehensive General Liability insurance coverage, including participants, spectators and contractual liability, in an amount not less than $5,000,000 per occurrence for bodily injury, including personal injury, and property damage. Upon execution of the Agreement, Team Mears will deliver to Philip Morris certificates of insurance naming Philip Morris as an additional insured and providing that Philip Morris will have at least thirty days' prior, written notice of any cancellation or modification of the insurance. The insurance required must be primary coverage without right of contribution from any other Philip Morris insurance. Insurance maintained by Philip Morris is for the exclusive benefit of Philip Morris and will not inure to the benefit of Team Mears.

9. Indemnity.

Team Mears agrees to indemnify and hold harmless Philip Morris, its affiliates and each of their respective officers, employees, directors and agents from all claims, liabilities, costs and expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Team Mears. Team Mears' obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

10. Confidentiality.

Team Mears will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by Philip Morris to Team Mears or created or acquired by Team Mears in performing services pursuant to the Agreement. Team Mears will not use or disclose to any third the existence or terms of the Agreement, any such information or materials or any other confidential information for any purpose other than to fulfill its obligations under the Agreement or unless authorized to do so in writing by Philip Morris. Upon the termination or expiration of the Agreement, Team Mears will return promptly all materials to Philip Morris. Team Mears' obligation to maintain confidentiality will survive the termination or expiration of the Agreement.

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11. Third Party Contacts.

If at any time Team Mears, Rick Mears or any of their officers, employees or agents are contacted by a third party, including the media, other than as contemplated by terms of the Agreement, concerning any of their activities on behalf of Philip Morris, they will make no comment, immediately notify Philip Morris of the third party contact, and refer the third party to Philip Morris, Senior Vice President, Corporate Affairs.

12. Notices.

Any notice given under the terms of the Agreement must be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to Team Mears, to Pit Stop Productions, Inc., 416 West Fairview Road, Bakersfield, California 93307, Attention: Mr. Roger Mears, and if to Philip Morris, to Philip Morris Incorporated, 120 Park Avenue, New York, New York 10017, Attention: Director, Event Marketing.

13. Miscellaneous.

(a) The Agreement and all matters collateral hereto will be governed by the laws of the State of New York applicable to agreements made and to be performed entirely within the State of New York.

(b) Force Majeure, acts of God, or other causes beyond the control of either party delaying or causing the cancellation or delay of any of the Promotions will not subject Team Mears or Philip Morris to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.

(c) The Agreement may not be modified or amended except by a writing signed by both parties. No waiver of a breach of any term or condition of the Agreement will be deemed a waiver of any subsequent breach of the term or condition or any other term or condition of the Agreement or a general waiver.

(d) The Agreement may not be assigned by either party without the written consent of the other. If an assignment occurs, the assignment will not relieve the assigning party of its liabilities or obligations under the Agreement. The Agreement is binding upon successors and assignees of the parties.

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(e) The Agreement sets forth the entire agreement between the parties and supersedes all previous oral and written agreements between the parties on the subject matter of the Agreement.

(f) Each party hereto will comply with all applicable laws, regulations and ordinances affecting its activities hereunder, including the provisions of 15 U.S.C. § 1331 et seq.

If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing and returning the enclosed copies of this letter. We will forward one fully executed copy to you.

Very truly yours,

PHILIP MORRIS INCORPORATED

By: _____

Title: Director, Event Marketing

ACCEPTED AND AGREED AS OF
THE DATE OF THIS LETTER:

PIT STOP PRODUCTIONS, INC.

By: _____

Title: President

Taxpayer ID#: _____

Filing Status: _____

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NOTES:

Holidays

Setup, Teardown, Break (or Test) days

Guest arrival days

Marlboro Racing School days.

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Exhibit A

Rick Mears - 21 Day apperances with 2000 Schedule

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